GEORGE WESTON LIMITED 1968 ANNUAL REPORT

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GEORGE WESTON LIMITED
41ST ANNUAL REPORT
for the year ended December 31, 1968.

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EXECUTIVE OFFICES

25 King St. West, Toronto, Canada

STOCK LISTINGS

Toronto, Montreal and Vancouver Stock Exchanges

TRANSFER AGENTS

National Trust Company, Limited, Toronto, Montreal, Winnipeg, Edmonton and their agents: Canadian Imperial Bank of Commerce, Charlottetown, Halifax, Saint John, Regina and Vancouver; The Detroit Bank and Trust Company, Detroit, Michigan, U.S.A.

AUDITORS

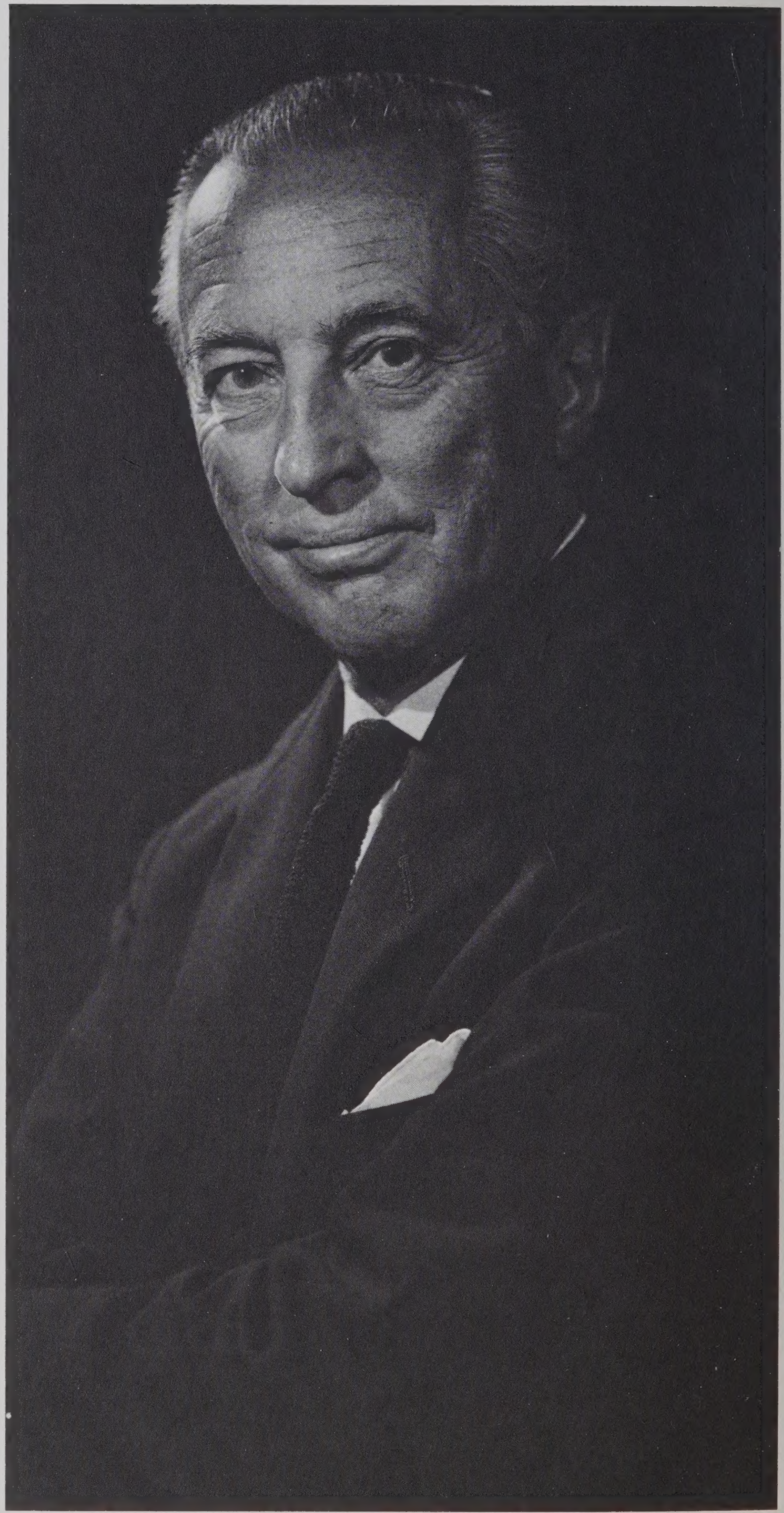
Thorne, Gunn, Helliwell & Christenson

ANNUAL MEETING

Royal York Hotel, Toronto, May 30, 1969

The pages in this report are printed on paper made by The E.B.Eddy Company

W. GARFIELD WESTON
Chairman of the Board
George Weston Limited



DIRECTORS

W. GARFIELD WESTON
Chairman of the Board
George Weston Limited

G. E. CREBER
President and Managing Director
George Weston Limited

W. C. R. JONES
President
Eddy Paper Company Limited

F. CLIFFORD LENNOX
President
Somerville Industries Limited

V. F. MACLEAN
President
Kelly, Douglas & Company, Limited

GEORGE C. METCALF
President
Loblaw Companies Limited

R. I. NELSON
President
British Columbia Packers Limited

FRANK A. RIDDELL
President
Weston Bakeries Limited

ALLAN J. SCOTT
President
William Neilson Limited

G. H. WESTON
Chairman
Associated British Foods Limited

W. GALEN WESTON
Chairman
Power Super Markets (Ireland)

OFFICERS

W. GARFIELD WESTON
Chairman of the Board

G. E. CREBER
President and Managing Director

P. F. CONNELL
Secretary-Treasurer

B. G. CHILDS
Assistant Treasurer

C. G. HAYWARD
Assistant Secretary

D. N. McPHIE
Assistant Controller

REPORT TO SHAREHOLDERS

On behalf of the Board of Directors of George Weston Limited and its consolidated subsidiaries, the Annual Report for the year ended December 31, 1968 is presented herewith.

This report shows substantial increases in sales, net income and earnings from operations. These results are set forth in the following pages which you may wish to read for a more detailed description of the financial results and the more important developments of the past year.

The considerable gains in both sales and earnings were achieved despite difficult conditions in most sectors of the economy. The biggest problem was rising costs. Inflationary pressures and the impossibility of making compensating price adjustments because of intense competition in most product and marketing areas had the effect of limiting profit margins. However, the capital expenditure programs of recent years are beginning to produce results, and the long-established Weston's policy of developing the product and market potential of each of its divisions has been a prime factor in maintaining the competitive position of each.

The Weston group of companies is just starting to show its real potential. The more than $100 million invested during these past five years in manufacturing improvements, increased production capacity, in greater product diversification, and as well, in more extensive and integrated distribution facilities is only now beginning to make an appreciable impact on overall results.

This policy of internal growth to develop the production resources and to increase the profit potential of every company within the group will be continued but with special emphasis on profitability.

During this past year, Kelly, Douglas & Company, Limited was acquired from Loblaw Companies Limited. The sale of Universal Coolers Limited and the re-

GEORGE WESTON LIMITED
FINANCIAL HIGHLIGHTS

	1968	1967
Sales	$729,889,000	$622,435,000
Net income	23,161,000	19,772,000
Income from operations	13,624,000	12,983,000
Cash flow	36,689,000	32,481,000
Working capital	98,172,000	76,675,000
Working capital ratio	1.96 to 1	1.89 to 1
Dividends	9,132,000	9,143,000
Total assets	396,954,000	349,399,000
Per common share:		
Net income	2.04	1.72
Income from operations	1.16	1.10
Dividends	.75	.75

27 mill. US

maining interest in Fine Fare (Holdings) Limited provided funds for re-investment in more closely allied operations.

In February 1969, Eddy Paper Company Limited announced that it had reached agreement in principle to purchase Brown Forest Industries Limited from Brown Company. Upon completion of the transaction, Eddy Paper Company Limited will hold all the issued and outstanding shares of Brown Forest Industries Limited, and Brown Forest Industries Limited will have outstanding approximately $27 million (U.S.) principal amount of 7% obligations due in 1989, payable in annual instalments of approximately $1,600,000 (U.S.) commencing in 1975. These obligations will be guaranteed by George Weston Limited. This acquisition will strengthen in all respects the position of Eddy Paper Company Limited in the forest products industry in Canada.

The Weston name has been associated with the food industry ever since the late George Weston began baking bread in 1882; since 1928, when W. Garfield Weston formed the present Company, the Weston name has attained world-wide renown. There are other famous names in the Weston food group, and among them some of the largest in their field in Canada.

But Weston's today means more than food — through Eddy Paper Company Limited, Weston's has major interests in the Canadian pulp and paper and paper products industry; and through its ownership of Somerville Industries Limited it holds a leadership position in the packaging industry, in automotive components and in plastics. The extent and diversification of your Company's interests are illustrated in the chart on the inside back cover of this Report and in the following pages.

Since the last Annual Report several changes have been made in your Board of Directors and officers. Mr. V. F. MacLean the President and Chief Executive Officer of Kelly, Douglas & Company, Limited has joined your Board of Directors. Mr. R. I. Nelson the President and Chief Executive Officer of British Columbia Packers Limited has joined your Board of Directors in place of Mr. Norman Hyland, formerly Chief Executive Officer of British Columbia Packers Limited and now retired. Mr. G. E. Creber who has been a director of the Company since 1962 was elected President and Managing Director in January 1969 succeeding Mr. Keith G. Dalglish who had held this position on an interim basis. Special thanks are due to Mr. Dalglish for his services during this period. Late in 1968 Mr. P. F. Connell joined the Company as Secretary-Treasurer and Mr. D. N. McPhie as Assistant Controller.

While the pressures caused by increasing costs on the one hand and extreme competition on the other are likely to remain throughout 1969, your Directors are optimistic about anticipated results for 1969. We are in, basically, an essential industry. Our diversified products are of high quality and have wide acceptance. We look forward to the 1969 year with confidence in the strength of your Company and expectation of further improved results.

On behalf of the Board,

G. E. Creber

President and
Managing Director

Toronto, Canada,
May 2, 1969.

REVIEW OF OPERATIONS

The diversified operations of George Weston Limited and its subsidiary companies are, for corporate administration purposes, classified into the following Divisions:

Consolidated Group

- Bakery and Confectionery
- Chocolate and Dairy
- Fisheries
- Forest Products
- Packaging
- Wholesale and Retail

Non-Consolidated Division

- Loblaw

A description of each Division, and the major companies within each, appears on the following pages. The chart on the inside back cover of this Report is also drawn to your attention.

The most important change in the structure of the Weston consolidated group in 1968 was the addition of Kelly, Douglas & Company, Limited, a large Vancouver-based food company. The financial data in this Report includes the operations of that company from August 17, 1968, the effective date of the transfer of control from the Loblaw group.

Because control of Fine Fare (Holdings) Limited was sold in 1967, the consolidated income figures for that year have been restated to set out separately the equity in income from operations of Fine Fare. The sales and other figures in the statement of income for 1967 accordingly now include the operations of the continuing businesses consolidated by George Weston Limited.

SALES

Consolidated sales increased 17% to $729,889,000 over the restated 1967 figure of $622,435,000. Approximately $75 million of the $107 million increase resulted from the inclusion for the first time of Kelly, Douglas & Company, Limited. All Divisions shared in the remaining 5% increase in 1968 sales.

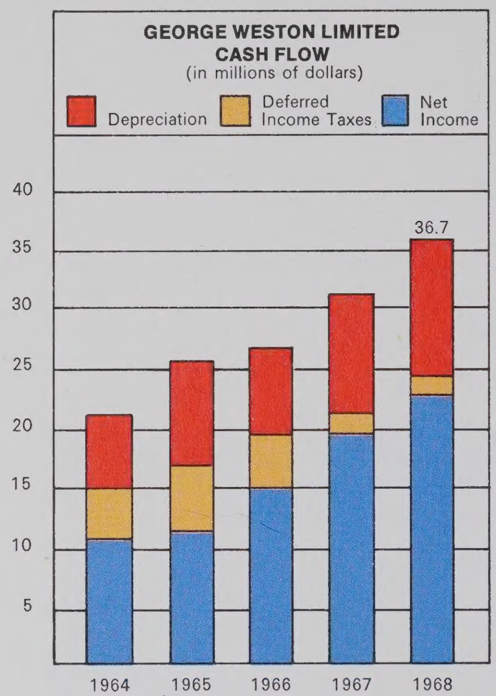
EARNINGS

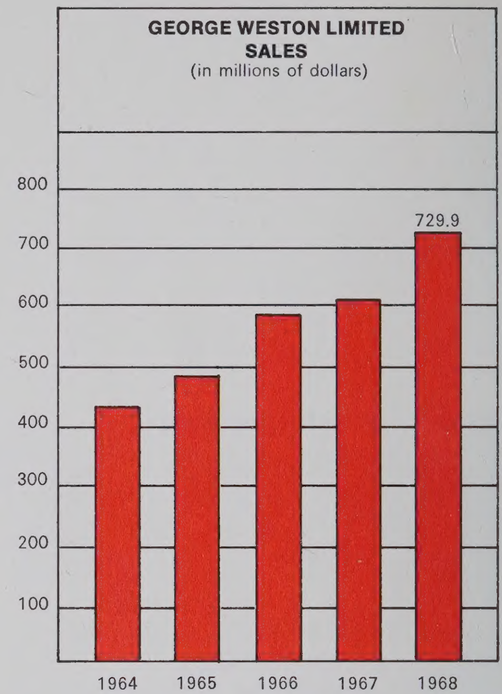
Consolidated net income for the year (including profit on the sale of investments and fixed assets) increased 17% to a new record high of $23,161,000, equivalent to $2.04 per share. Comparative figures for 1967 were $19,772,000 and $1.72 per share. Net income was materially assisted in both years by profit on the sale of shares in Fine Fare (Holdings) Limited — $9,408,000 in 1968 and $6,575,000 in 1967. The contribution to net income in 1968 by Kelly, Douglas & Company, Limited, from the date of its acquisition, was $238,000.

Excluding total profit on sale of investments and fixed assets, income from operations was $13,624,000 or $1.16 per share, compared with $12,983,000 or $1.10 per share the previous year.

Income from operations in 1967 included $2,243,000, which represented the equity of George Weston Limited in the income from operations of Fine Fare (Holdings) Limited. Excluding this latter figure, (for comparative purposes only) the operating income in 1968 of the continuing businesses shows an increase of 27%—$13,624,000 as against $10,740,000. This gives some indication of the earnings improvement in the existing group of companies.

The considerable increase in earnings was due less to the impact of greater volume than to improved operating performances in all Divisions. Higher cost for materials, labour and service costs generally, could not be fully offset by price increases but narrower profit margins were tempered somewhat by efficiencies effected in both production and distribution costs. A continuing review is





being carried out of various divisional production and warehouse facilities. Based on this review, some facilities were closed down and replaced in 1968. In addition, benefits are now beginning to take effect from the Company's heavy outlay in recent years under its capital expenditure and modernization program. The investment in new and better equipment, in greater production capacity and product diversification, has further strengthened the present and future competitive position of the Company.

Divisional operations are reviewed briefly under their respective sections further on in this Report. In summary, it can be said that each of the consolidated divisions achieved gains in production and sales, varying from moderate to very good. With the exception of the Forest Products Division, all showed higher earnings for 1968 when compared with 1967.

Both output and sales of the Forest Products Division set new high records, but earnings were adversely affected by strike shut-downs and unusually keen competition caused by over-capacity in some product groups, chiefly certain lines of fine papers. In the Fisheries Division, profits were improved but still below what should be expected. Profit margins in the fishing industry are still under heavy pressure because of continuing softness in world markets.

The Loblaw Division (consisting of Loblaw Companies Limited and its subsidiary companies) is not consolidated in the attached financial statements because George Weston Limited owns less than 50% of the equity of Loblaw Companies Limited. The Loblaw interim report to shareholders for the 28 weeks ended October 12, 1968 showed a slight gain in sales but a sharp drop in earnings. This resulted mainly from the high costs involved in the discontinuance of the premium stamp program and also to the extremely competitive conditions which prevailed throughout the North American food retail industry. The introduction of a bold new marketing approach to food retailing which has given a new look to Loblaws is expected to improve future profit performance.

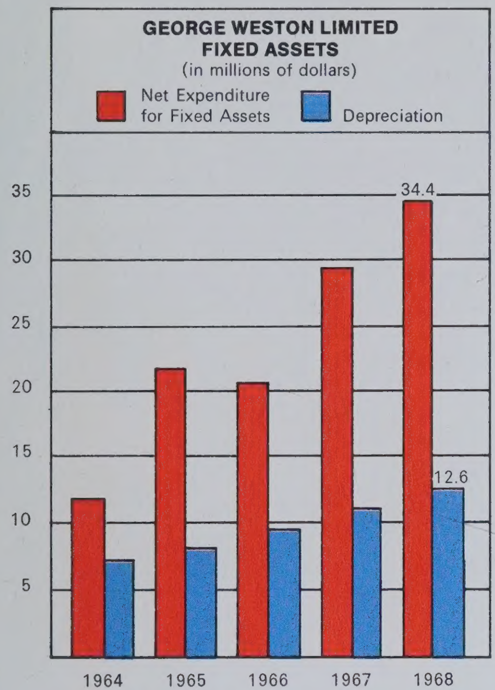
DIVIDENDS

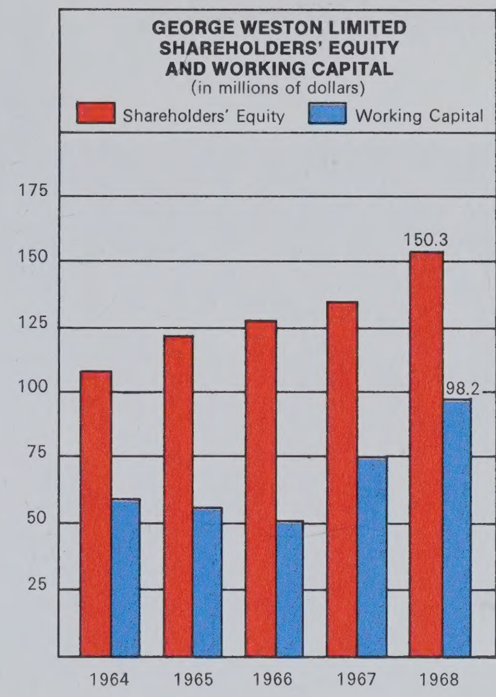
Common share dividends at the annual rate of 75¢ per share (unchanged from 1967) were paid on a regular quarterly basis and amounted to $8,182,000 in 1968. These dividends represented a payout of approximately 65% of the $1.16 per common share income from operations in 1968.

Regular quarterly dividends on the preferred shares amounted to $950,000 compared with $961,000 in 1967. The decrease is due to the preferred shares redeemed during 1967 and 1968.

CAPITAL STOCK

At the Annual Meeting of May 29, 1968, shareholders approved the reclas-





sification of the Company's 6,793,981 Class A shares and 4,115,376 Class B shares into one class of 10,909,357 common shares without par value. No additional shares were issued during 1968.

CORPORATE CHANGES

In August, 1968 George Weston Limited purchased approximately 70% of the voting shares of Kelly, Douglas & Company, Limited of Vancouver, B.C. from a subsidiary of Loblaw Companies Limited at a cost of some $10 million. This long-established food enterprise fits well into the Weston group—its wholesale and retail operations will supplement our existing Western Canada coverage while the manufacturing division, makers of Nabob brand tea, coffee and many other nationally distributed food specialties, will add further to Weston's consumer product diversification.

As previously reported to shareholders, the remaining 20% interest in Fine Fare (Holdings) Limited, held by Dicoa Limited (a wholly-owned subsidiary of George Weston Limited), was sold early in 1968 to Associated British Foods Limited for $16,800,000. Also, in September, 1968, George Weston Limited disposed of its 100% interest in Universal Coolers Limited, a refrigeration equipment manufacturer in Barrie, Ontario. The latter company did not fit into our long-range plans and it was decided that the funds invested could be better utilized in other areas.

CAPITAL EXPENDITURES

Capital outlays for replacement and modernization of plant and equipment, exclusive of fixed assets acquired with the purchase of Kelly, Douglas & Company, Limited, totalled $22 million in 1968, just slightly below the 1967 figure of $23 million. In the past five year period, Weston companies have invested over $100 million to improve the efficiency and increase the capacity of production facilities. Such expenditures have exceeded the aggregate provision for depreciation by approximately $58 million.

FINANCIAL POSITION

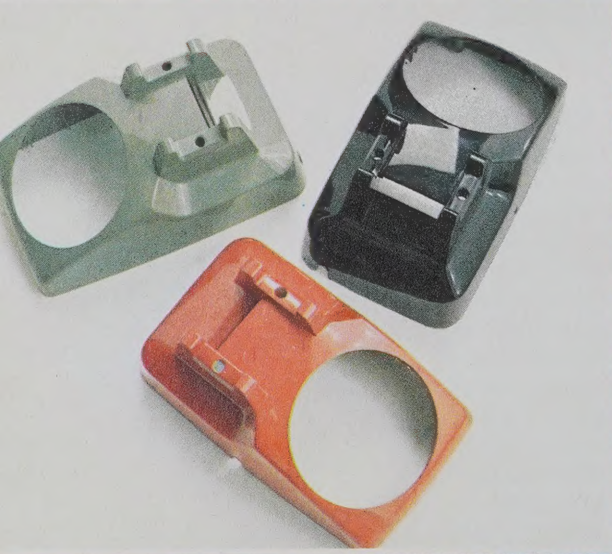
The Company completed its year-end in a strong financial position. Working capital at December 31, 1968 was $98,172,000 compared with $76,675,000 for 1967 and $49,905,000 for 1966. The ratio of current assets to current liabilities was 1.96 to 1 at the end of 1968, 1.89 to 1 in 1967, and 1.55 to 1 in 1966.

TOTAL ASSETS

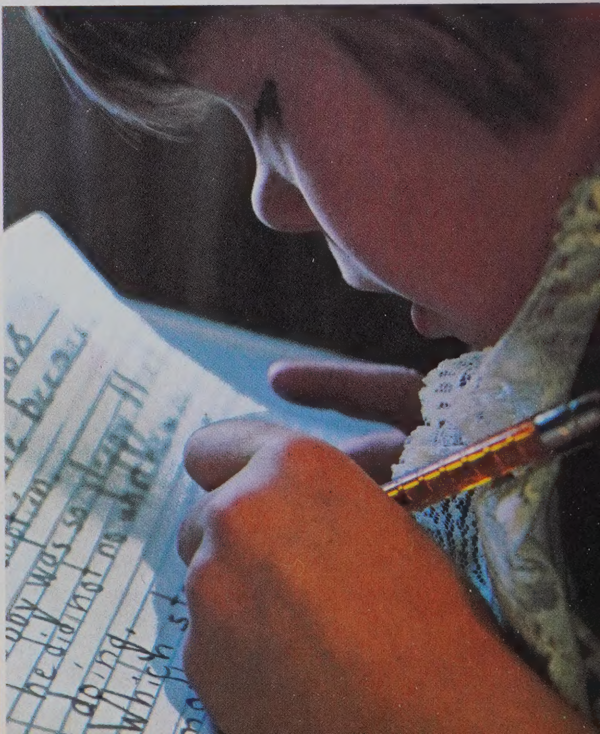
Total assets increased $47,555,000 in 1968 to $396,954,000. The assets of Kelly, Douglas & Company, Limited included in the consolidated accounts for the first time, account for the major part of this increase. Growth in the assets of the various other consolidated companies make up most of the remainder.

The world of Weston's





...food, paper, packaging and more.



BAKERY AND CONFECTIONERY DIVISION

GEORGE WESTON LIMITED
—OPERATING DIVISION
WESTON BAKERIES LIMITED
McCORMICK'S LIMITED
PAULIN CHAMBERS CO. LTD.
MARVEN'S LIMITED
GEORGE WESTON INC. (U.S.)

The above companies comprise the Bakery and Confectionery Division of George Weston Limited. Together they make Weston's Canada's largest producer of biscuits and bread, and a leading manufacturer of confectionery and other food products.

The vast network of facilities includes 20 diversified plants serving Canada from coast to coast, 4 biscuit plants located in the United States, and sales branches and distribution warehouses throughout Canada and the United States.

Thirteen bakeries across Canada produce all the bread, cakes and other baked goods that carry the Weston, Sunbeam and Lane's labels, as well as producing a huge volume of bakery items sold by other retailers under their own labels. The modern Longueuil, Quebec, plant produces the Weston brand biscuits, while the Brantford, Ontario, plant manufactures the many Weston candy items.

In London, McCormick's manufactures and distributes nationally a wide variety of fine biscuits and confectionery products, in addition to Imperial ice-cream cones, and Sweetheart sipping straws.

Winnipeg's Paulin Chambers is Western Canada's leading biscuit and confectionery concern.

Marven's Limited of Moncton, N.B., is the largest biscuit manufacturer in the Maritime Provinces. A subsidiary, G. J. Hamilton & Sons Limited, Pictou, N.S., traces its beginnings back to 1840.

George Weston Inc. (U.S.) has plants in Battle Creek, Michigan; Passaic, New Jersey; Richmond, Virginia and Tacoma, Washington. In addition to a wide range of biscuits sold under company labels, such as "F.F.V." and "A.B.C.", an increasing volume of private label specialty items has been developed.

A number of changes were made in the physical facilities of the Division in 1968. The lower profit margins in the food industry made it necessary, late in 1968, to close the two smallest biscuit plants of the Division, one in Pictou, N.S. and the other in Burbank, California. In both cases, production volume was transferred to other larger and more efficient divisional plants. At Richmond, a large new oven and warehouse were built. At Passaic and Toronto, new automated warehouse facilities were nearing completion by the end of 1968.

Total production volume of the Bakery and Confectionery Division in 1968 was up considerably, despite some lost production time due to strikes at four locations. Earnings were higher than in 1967, but less than the increased volume warranted. The intensely competitive conditions prevailing in the North American food retailing industry prevented adequate price increases to fully compensate for increased material and wage costs.

For 1969, competition is likely to remain keen. Despite this, the Bakery and Confectionery Division expects some increase in sales and profits.

CHOCOLATE AND DAIRY DIVISION

WILLIAM NEILSON LIMITED
—EPLETT ICE CREAM LIMITED
WILLARDS CHOCOLATES LIMITED
DEVON ICE CREAM LIMITED

The above companies comprise the Chocolate and Dairy Division of Weston's, which division is Canada's largest manufacturer of chocolate and chocolate products and one of the leading ice cream producers in the province of Ontario.

William Neilson Limited, the largest confectionery house in Canada, processes and refines all of its own requirements and is, as well, a large supplier of chocolate, chocolate coatings and similar products, to others in the food industry.

Neilson's chocolate bars and packaged chocolates have a long established reputation for excellence of quality. Jersey Milk, Burnt Almond, Crispy Crunch and Malted Milk are four of the largest selling items in the Neilson line of popular chocolate bars. The Supreme line of boxed chocolates is among the leaders in Canadian consumer preference. In the United States, the Nutty chocolate bar is one of the best selling imported bars and an important item in the Company's growing export sales.

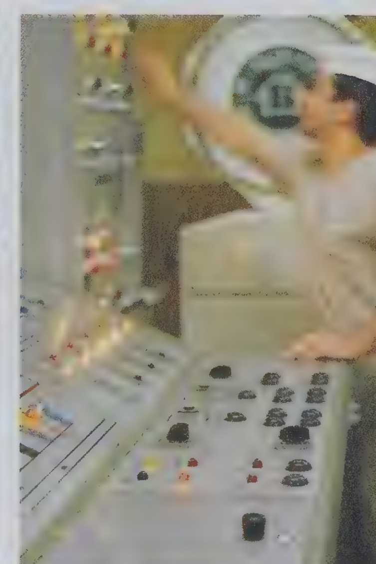
Neilson's activities extend to volume production of ice cream and allied products which are distributed throughout much of Ontario and share widely in the marketing areas served. A subsidiary, Eplett Ice Cream Limited, serves a large part of Northern Ontario with ice cream, milk and other dairy products.

Willards Chocolates Limited, Toronto, is another well-known name in the chocolate industry. One of Canada's best-liked chocolate bars, Willards' Sweet Marie, has been a favorite for many years. The Swell Bar, introduced in 1968, is another popular item in the line. Willards also makes bulk and packaged chocolates and a widening range of hard candies and confectionery items. Willards' products are distributed nationally in Canada.

Devon Ice Cream Limited, Toronto, is a producer and distributor of bulk and packaged ice cream and novelties, serving Metropolitan Toronto and other Ontario markets. The Devon label is one of the better known consumer brands in premium quality ice cream. This company continues to enlarge its markets. Increasing sales are being augmented by a substantial and increasing volume of private label brands produced for chain and group retail outlets.

The year 1968 was a year of considerable challenge in the confectionery industry. Costs increased substantially as a result of sharply higher prices for cocoa beans, nuts and other ingredients. In the year there was a further consolidation of companies within the industry thus sharply reducing the number of major candy makers in Canada. Neilson's and Willards are the only major chocolate manufacturers that retain Canadian ownership.

The outlook for 1969 is one of continued competition and cost-price squeeze. The Chocolate and Dairy Division of Weston's, with its strong position in the industry, should more than hold its own.



FISHERIES DIVISION

BRITISH COLUMBIA PACKERS LIMITED
—NELSON BROS. FISHERIES LIMITED
—RUPERT FISH COMPANY, INC.
CONNORS BROS., LIMITED
—H. W. WELCH LIMITED
—LEWIS CONNORS & SONS LTD.

Through its control of British Columbia Packers Limited and Connors Bros., Limited, Weston's is a major participant in this essential food industry, on both the Atlantic and Pacific coasts.

In 1968, British Columbia Packers Limited continued to sell aggressively in the Canadian and United States markets its broad line of convenience fish products under its well-known brand names. Substantial sales of canned salmon were made to the United Kingdom and other export markets. In addition to its traditional canned convenience foods, such as salmon and tuna, a number of new frozen convenience foods were developed using cod, perch and sole as the basic raw materials. Increased attention was given to the restaurant and other institutional markets—the fastest growing segments of the food business.

While the consolidated net income of British Columbia Packers was substantially higher in 1968 than in 1967 ($1,586,764 v. $513,147) such earnings taken as a percentage of sales dollars and as a return on shareholders' investment are not satisfactory. Every effort is being made to increase earnings to levels comparable with successful companies in the food industry.

The salmon pack in British Columbia has a major effect on the success of British Columbia Packers' operations. While the long-term outlook for salmon in British Columbia is bright, the forecast for salmon runs in 1969 is poor. The Company, however, has entered 1969 with a substantial inventory of canned Sockeye salmon and anticipates good catches of British Columbia troll salmon, Atlantic herring and Bristol Bay Red salmon. As a result of rising costs of production and with a forecast poor run of salmon, it is anticipated that earnings of British Columbia Packers will be somewhat lower in 1969 than in 1968.

For the future, with aggressive management and with the growing demand for convenience foods, it is anticipated that this section of Weston's business will be increasingly profitable.

Connors Bros., Limited, Black's Harbour, New Brunswick, is internationally known for its Brunswick Brand sardines and other canned sea-food products. Approximately 70% of its sales are to the United States and other foreign markets. The Company is also a processor of fresh, frozen and salted fish, and by-products such as fish meal and oil.

Connors is a fully-integrated operation with a fleet of boats, processing plants, canneries, can-making and other facilities on the Bay of Fundy and northern New Brunswick coast.

For Connors, 1968 was the largest sardine production year in its history. Sales increased in all product groups but profits were not commensurate with the increased volume.

Objectives in 1969 for Connors include further steps to diversify into a new product area, such as the processing and packaging of shrimp and Atlantic queen crab. This sector of the industry is in the early stages of development and, with expanding markets, should provide a profitable diversification move.

FOREST PRODUCTS DIVISION

EDDY PAPER COMPANY LIMITED
—THE E. B. EDDY COMPANY
—J. E. BOYLE LIMITED

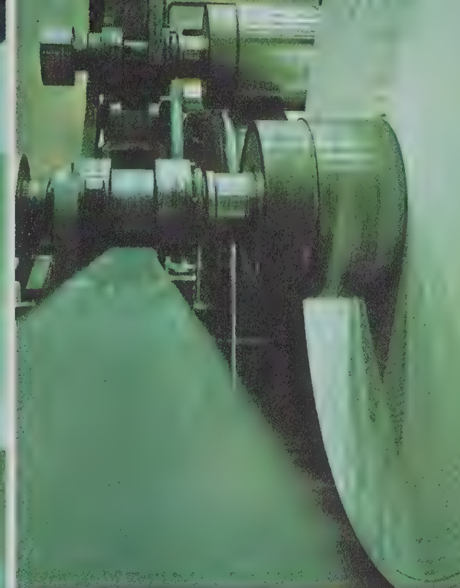
The Forest Products Division is comprised of the Eddy Paper Company Limited and its two operating subsidiaries, The E. B. Eddy Company, a pulp and papermaker with plant and facilities in the Ottawa-Hull area and J. E. Boyle Limited a lumber sawmill located at Davidson, Quebec. The division has extensive timber limits in Ontario and Quebec and operates on a large scale basis in the harvesting and processing of wood resources.

Eddy's highly-diversified product lines range from newsprint, paperboard and fine papers for the publishing, converting and printing trades, to tissues, serviettes, towels, etc. for home and industrial use. Cheneaux bond and Starbrite offset are well-known names in quality fine papers; White Swan, Vanity, Capri and Onliwon are among the many popular brand paper products that enjoy high acceptance.

Investment in modernization and increased production capacity has required substantial capital outlays in recent years. Of four new papermaking machines which have been installed, the latest was brought into operation in September, 1968. This new Fine Paper machine is the most modern of its kind in North America. It is over 400 feet long and produces up to 175 tons of fine papers every 24 hours. Named the "Grande Chaudiere" (big cauldron) this giant addition to the Company's complex stands within sight of the historic Chaudiere Falls and the churning waters below.

The E. B. Eddy Company now has eleven paper machines producing a wide range of papers and paper products. As a result of its expansion and improvement program the Company has greatly strengthened its ability to compete successfully in the domestic and foreign markets.

All production units operated at near capacity throughout the year except for downtime during strikes (three weeks at the Hull plants, seven weeks at the Davidson sawmill). Despite record sales, earnings declined in 1968 as a result of strike shutdowns and because of increased costs for labour, pulp and chemicals. In the printing grades of fine paper, there was extremely keen competition due to surplus capacity in the industry and the 2% lowering of the Canadian tariffs on January 1, 1968. In consumer



products, it was necessary to curtail export orders in some instances in order to supply sharply increased demands in the domestic markets.

The outlook for the Forest Products Division of Weston's is optimistic. Overcapacity in some sectors of the pulp and paper industry and a further reduction in tariffs as a result of the Kennedy Round Tariff agreements which may increase the volume of American imports, are combined factors that create some immediate problems. We believe the situation will gradually correct itself—within a year or two at most. There is little doubt that the future use of products from our forests will greatly increase. It is anticipated that earnings in 1969 will be back to, or exceed, 1967 earnings.

PACKAGING DIVISION

SOMERVILLE INDUSTRIES LIMITED
—SOMERVILLE AUTOMOTIVE TRIM LIMITED
—CANADIAN FOLDING CARTONS LIMITED

Through its subsidiary, Somerville Industries Limited, London, Ontario, George Weston Limited holds a prominent position in the Canadian packaging industry and other diversified product areas.

Somerville is a leading manufacturer of folding cartons and other packaging materials and, in recent years, has progressed rapidly as a manufacturer of interior trim and other components for the automotive industry. Somerville also produces many plastic products for industrial and consumer use, a wide variety of paperboard games and puzzles, party novelties, point-of-purchase displays and many other items. The production facilities of the various divisions comprise ten plants with a combined floor area of approximately 1,000,000 sq. ft.

The Packaging Section is a major supplier of many types and sizes of printed and lithographed folding cartons, set-up boxes, packages and containers. There are four plants engaged in this area of operations. The plant in London is one of the largest in the Canadian packaging industry. Canadian Folding Cartons in Toronto is a large-scale facility, as is the Consolidated Lithographic plant in Montreal. The Winnipeg plant turns out Pure-Pak milk containers for much of the Western Canada dairy industry.

The Panel Section with plants in Windsor and Scarborough, Ontario fabricates interior trim and plastic components for the automotive industry, also decorative plywood panels for the building and appliance industries. Service to the automotive industry is being expanded through joint participation in a new auto-body insulation-making plant, now under construction in Tillsonburg, Ontario.

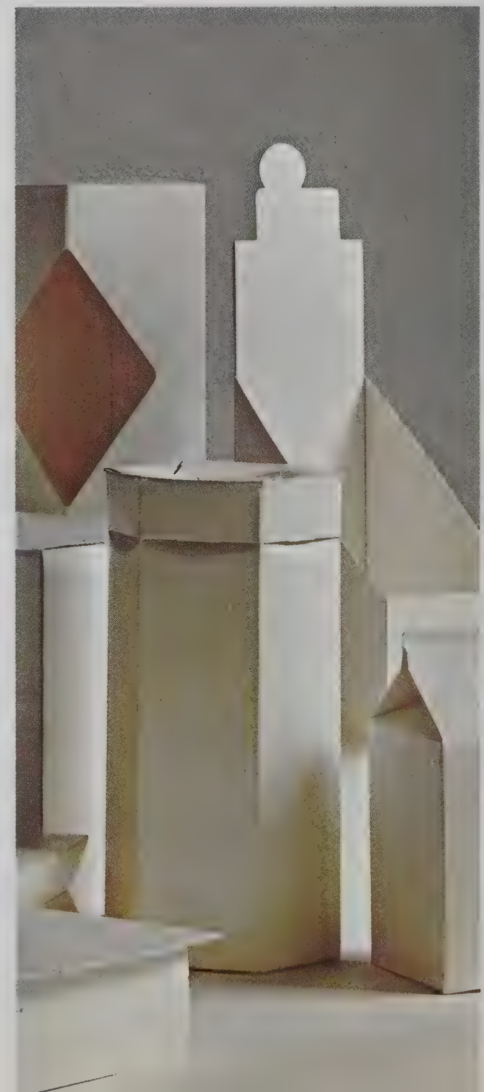
The Plastics Section in Bramalea, Ontario manufactures cups and disposable plastic products for the catering trade, as well as high quality precision-molded products for industry. New equipment added in 1968 will increase output capacity and permit a much wider range of products.

Somerville makes the largest line of paperboard games and jig-saw puzzles produced in Canada. The Strathmore Division in Strathroy, Ontario makes party crackers, decorative centre pieces and paper novelties.

The Display Section, Don Mills, Ontario, specializes in the design and production of point-of-purchase displays in plastic, paperboard, metal and wood.

Somerville's policy of maintaining production equipment in top operating condition and of making replacements when changes in technology so warrant has required substantial investment by way of capital outlays. The benefits of such expenditures are reflected in operating results. Efficient production facilities become an increasingly important asset as pressure on profit margins increases.

Each of the sections that make up the Somerville group of industries has shown good progress and the overall pattern of growth has been impressive. Sales have increased approximately 50% during the past five years. 1968 sales were up $2.3 million over 1967 sales and exceeded $43½ million. The profit trend has also been upward and net earnings in 1968 reached a new high of $1,925,000. It is anticipated that 1969 will continue this upward trend.



WHOLESALE AND RETAIL DIVISION

WESTFAIR FOODS LTD.
—WESTERN GROCERS LIMITED
—DOMINION FRUIT LIMITED
—W. H. MALKIN LTD.
KELLY, DOUGLAS & COMPANY, LIMITED
—NABOB FOODS LIMITED
—SUPER-VALU STORES (B.C.) LTD.
—CAL-VAN CATERERS LTD.

Westfair Foods Ltd., Winnipeg, Manitoba and its subsidiary companies, form the largest wholesale food organization in Western Canada. The Company also has major interests in food retailing.

The wholesale division distributes groceries and produce to food chains, affiliates, institutions and thousands of independent retailers from the Lakehead to the Pacific. Retail operations include corporate-owned Shop Easy, Mini Mart and Econo-Mart stores, together with large voluntary group store outlets.

A highlight of Westfair's recent growth has been the successful development of the convenience and discount food store concepts. Since 1965, Westfair has opened 67 Mini Mart "Jug Milk" convenience stores in Manitoba and British Columbia; more are planned for 1969. The first Econo-Mart, a new type of retail outlet, was opened in 1967; 12 more were added in 1968. These latter stores are lower price, warehouse-image, food outlets. They have met with excellent public response and plans have been made to open further stores in 1969.

The new 170,000 sq. ft. warehouse and office building of Western Grocers Limited in Winnipeg, scheduled to open in May, 1969, will be equipped with the most modern cold storage and shipping facilities and will allow for the further growth of wholesale operations.

Westfair showed good progress in 1968, with sales up 7% to $221 million and higher earnings of $2,391,000.

Weston's owns 100% of the common voting shares of Westfair Foods Ltd.

Kelly, Douglas & Company, Limited is a large and widely diversified enterprise engaged in the wholesaling and retailing of food and other products, chiefly in British Columbia; and the manufacture of food products which are distributed nationally in Canada. Annual sales volume is approximately $200 million.

The manufacturing division (Nabob Foods Limited) operates a recently enlarged 213,000 sq. ft. plant in Burnaby, B.C., with additional facilities in Ajax, Ontario. The Company's extensive product line comprises tea, coffee, marmalade, jams, peanut butter, jelly powders, drink mixes and many other convenience food items. Nabob brand ground coffee holds number one position among the major producers in Canada; Nabob brand tea ranks third in sales in Canada.

The wholesale division, through its network of warehouses, supplies a full line of grocery and other items to owned, sponsored, affiliated and independent retail stores throughout British Columbia.

The retail division consists of 87 independent and company-owned Super-Valu Stores which are among the most modern of self-serve food markets.

Kelly, Douglas' further diversification extends to industrial catering, an expanding segment of its operations. Early in 1968, the Company was selected as caterers to the immense Mica Dam Project, part of the Columbia River development in Northern British Columbia.

George Weston Limited holds approximately 70% voting control of Kelly, Douglas which was acquired from a subsidiary of Loblaw Companies Limited in August, 1968.

LOBLAW DIVISION
(Not consolidated)

The Loblaw Division consists of Loblaw Companies Limited, a holding company owning 99% of the voting shares of Loblaw Groceterias Co., Limited, which company together with its subsidiaries, forms one of the largest food and merchandising organizations on the continent, with total sales volume of approximately \$2½ billion a year.

George Weston Limited owns approximately 59% of the voting shares of Loblaw Companies Limited but less than a majority of the total participating shares outstanding.

The accounts of Loblaw Companies Limited are not consolidated with those of George Weston Limited, and the earnings of Loblaws are included only to the extent of dividends received.

Loblaws pioneered the supermarket in Canada. Since originating the "self-serve" concept fifty years ago, Loblaw Groceterias Co., Limited has become Canada's foremost food retailer and through its subsidiaries has extensive interests in the production, marketing and merchandising of food and other products—both in Canada and the United States.

There are 225 supermarkets in Canada which carry the Loblaw name. Many of these are located in large regional shopping centres and retail plazas; all are designed to meet the various requirements of the market areas served.

The principal subsidiaries of Loblaw Groceterias Co., Limited are as follows:

RETAIL

National Tea Co., Chicago, the seventh largest retail food chain in the United States with an annual sales volume of approximately \$1.2 billion, operates over 800 supermarkets in nineteen States, chiefly throughout the midwest and south to the Gulf of Mexico.

Loblaw Inc., Buffalo, is a leading supermarket chain, with approximately 160 modern retail outlets in northern New York State and adjacent areas—and in Los Angeles, California.

Power Super Markets Limited, Toronto, comprises large retail food stores with the Power Super Market name as well as Busy B. Discount food markets, 37 outlets in all, in Ontario.

Zehr's Markets Limited, Kitchener, operates 12 modern Zehr markets in Southwestern Ontario.

G. Tamblyn Limited is the leading retail drug chain in Canada with 157 stores from Nova Scotia to Alberta. The Company also operates leased drug departments.

WHOLESALE

National Grocers Company Limited is a leading wholesale grocer supplying retailers and institutions in Ontario and Quebec. It sponsors and supplies franchised and voluntary chain groups.

Atlantic Wholesalers, Limited, Sackville, N.B., is the largest wholesaler in the Maritime Provinces.

The O.K. Economy Stores Limited, Saskatoon, is an established food wholesaler and retailer in Saskatchewan and Alberta.

York Trading Limited is wholesale distributor of groceries to the retail trade in Southern Ontario.

PROCESSING

Donlands Dairy Limited distributes a variety of milk products and ice cream to large chains and other retail outlets in Metropolitan Toronto and vicinity.

Kambly (of Switzerland) Canada Limited specializes in the manufacture of private label brand biscuits.

GEORGE WESTON LIMITED

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1968

	1968	1967
SALES	$729,889,000	$622,435,000
Less: Cost of sales, selling and administrative expense, deferred real estate income (note 4), before undernoted items	684,217,000	586,117,000
	45,672,000	36,318,000
Add:		
Dividend income:		
Non-consolidated subsidiaries	2,311,000	2,298,000
Other	202,000	151,000
	48,185,000	38,767,000
Deduct:		
Directors' salaries, fees and other emoluments	480,000	413,000
Depreciation	12,581,000	10,962,000
Interest on long-term debt	5,210,000	4,736,000
Other interest	3,254,000	2,850,000
	21,525,000	18,961,000
OPERATING INCOME BEFORE INCOME TAXES	26,660,000	19,806,000
Income taxes—Current	10,333,000	6,689,000
Deferred	1,171,000	1,747,000
	11,504,000	8,436,000
	15,156,000	11,370,000
Minority interests	1,532,000	630,000
INCOME FROM OPERATIONS OF CONTINUING BUSINESSES	13,624,000	10,740,000
Equity in income from operations of Fine Fare (Holdings) Limited (note 1)	—	2,243,000
INCOME FROM OPERATIONS	13,624,000	12,983,000
Profit on sale of investments and fixed assets, net of taxes and minority interests (note 9)	9,537,000	6,789,000
NET INCOME FOR THE YEAR	$ 23,161,000	$ 19,772,000
Per common share:		
Income from operations of continuing businesses	$1.16	$0.90
Income from operations including Fine Fare (Holdings) Limited	$1.16	$1.10
Net income	$2.04	$1.72

GEORGE WESTON LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Year ended December 31, 1968

	1968	1967
RETAINED EARNINGS—at beginning of year:		
As previously reported		$ 87,788,000
Adjustment to inventories and deferred income taxes of subsidiaries as at January 1, 1967 (note 8)		905,000
As restated	$ 97,991,000	88,693,000
Add:		
Net income for the year	23,161,000	19,772,000
Preferred share sinking fund reserve transferred	—	500,000
Net excess of book values at dates of acquisitions over cost of shares and assets acquired	976,000	—
	122,128,000	108,965,000
Deduct:		
Dividends		
Preferred Shares		
First Series	472,000	481,000
Second Series	478,000	480,000
	950,000	961,000
Common Shares	8,182,000	8,182,000
	9,132,000	9,143,000
Net excess of cost of shares and assets acquired over book values at dates of acquisitions	—	1,127,000
Financing costs and expenses	—	704,000
	9,132,000	10,974,000
RETAINED EARNINGS—at end of year	$112,996,000	$ 97,991,000

GEORGE WESTON LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1968

	1968	1967
SOURCE OF FUNDS		
Net income for the year	$23,161,000	$19,772,000
Add items not requiring the expenditure of funds:		
Depreciation	12,581,000	10,962,000
Deferred income taxes	947,000	1,747,000
	36,689,000	32,481,000
Fine Fare (Holdings) Limited		
Proceeds of sale of shares	16,770,000	23,376,000
Less profit on disposal (and income in 1967) included above	9,408,000	9,087,000
	7,362,000	14,289,000
Less inter-company account at December 31, 1966	—	3,774,000
	7,362,000	10,515,000
Net increase in long-term debt	6,860,000	19,264,000
Excess of net book values at dates of acquisitions over cost of shares and assets acquired (excess of cost in 1967)	976,000	(1,127,000)
Net decrease (increase) in investments, excluding Fine Fare (Holdings) Limited	4,197,000	(1,278,000)
Increase in minority interests in subsidiaries	8,503,000	6,060,000
Sundry items	774,000	(54,000)
	65,361,000	65,861,000
APPLICATION OF FUNDS		
Dividends to shareholders		
Preferred	950,000	961,000
Common	8,182,000	8,182,000
	9,132,000	9,143,000
Increase in fixed assets (net of disposals)	34,359,000	29,037,000
Financing costs	—	704,000
Redemption of preferred shares	373,000	207,000
	43,864,000	39,091,000
INCREASE IN WORKING CAPITAL	21,497,000	26,770,000
WORKING CAPITAL—Beginning of year, restated	76,675,000	49,905,000
WORKING CAPITAL—End of year	$98,172,000	$76,675,000

GEORGE WESTON LIMITED

CONSOLIDATED BALANCE SHEET

as at December 31, 1968

ASSETS

	1968	1967
CURRENT ASSETS		
Cash	$ 5,024,000	$ 9,322,000
Accounts receivable (note 2)	57,562,000	48,262,000
Inventories, at the lower of cost and market:		
Raw materials and supplies	41,371,000	35,740,000
Finished goods	89,274,000	66,775,000
Prepaid expenses	3,821,000	2,574,000
Properties held for sale, at cost	3,266,000	309,000
	200,318,000	162,982,000
INVESTMENTS, at cost		
Shares in subsidiary companies not consolidated (note 3)	27,872,000	27,873,000
Fine Fare (Holdings) Limited	—	7,362,000
Sundry investments (note 3)	3,943,000	6,118,000
Secured loans and advances	5,251,000	6,488,000
Cash surrender value of life insurance	486,000	557,000
Special refundable taxes	157,000	870,000
Preferred share sinking fund assets	500,000	500,000
	38,209,000	49,768,000
FIXED ASSETS, at cost		
Land and buildings	82,068,000	70,651,000
Machinery and equipment	226,536,000	195,715,000
	308,604,000	266,366,000
Less accumulated depreciation (including depletion of $2,873,000)	150,177,000	129,717,000
	158,427,000	136,649,000
	$396,954,000	$349,399,000

Approved by the Board,

W. Garfield Weston G. E. Creber
Directors

LIABILITIES

	1968	1967
CURRENT LIABILITIES		
Bank advances and notes payable	$ 33,764,000	$ 34,608,000
Accounts payable	57,000,000	40,079,000
Taxes payable	5,638,000	3,669,000
Dividends payable	2,045,000	2,045,000
Long-term debt payable within one year	3,699,000	5,906,000
	102,146,000	86,307,000
LONG-TERM DEBT (note 6)	93,328,000	86,468,000
MINORITY INTERESTS IN SUBSIDIARIES	24,843,000	16,340,000
DEFERRED INCOME TAXES	24,794,000	22,842,000
DEFERRED REAL ESTATE INCOME (note 4)	1,548,000	1,779,000

SHAREHOLDERS' EQUITY

	1968	1967
CAPITAL STOCK (note 7)		
Preferred Cumulative Redeemable Shares, par value $100 each, issuable in series		
Authorized—		
354,497 shares, less 2,733 purchased for cancellation		
Issued—		
102,255 4½% First Series (105,487 in 1967)	10,225,000	10,549,000
79,509 6% Second Series (80,000 in 1967)	7,951,000	8,000,000
181,764	18,176,000	18,549,000
Common Shares, without par value		
Authorized—16,950,000 shares		
Issued —10,909,357 shares	19,123,000	19,123,000
	37,299,000	37,672,000
RETAINED EARNINGS (note 8)	112,996,000	97,991,000
	150,295,000	135,663,000
	$396,954,000	$349,399,000

GEORGE WESTON LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1968

1. BASIS OF CONSOLIDATION:

(a) The consolidated financial statements include the accounts of all subsidiary companies except those of Loblaw Companies Limited and its subsidiary companies. Although George Weston Limited has voting control of Loblaw Companies Limited through ownership of 58.9% of the outstanding Class B voting shares of Loblaw Companies Limited, its holding of the combined Class A non-voting shares and Class B voting shares is less than a majority of the total participating shares outstanding.

(b) The accounts of consolidated foreign subsidiaries are stated in Canadian dollars at the appropriate rates of exchange. No provision has been made for any withholding taxes which may be payable at a future date on the distribution of retained earnings of such subsidiaries.

(c) The Company acquired from a subsidiary of Loblaw Companies Limited, voting control of Kelly, Douglas & Company, Limited, effective August 17, 1968. The latter Company's accounts have been consolidated from that date and as a result, George Weston Limited consolidated net income includes $238,000 as its share of the 1968 net income of Kelly, Douglas & Company, Limited.

(d) The 1967 figures in the consolidated financial statements have been restated to set out separately the equity in the income from operations of Fine Fare (Holdings) Limited, control of which was disposed of in 1967, and also to reflect the deconsolidation of the assets and liabilities of Fine Fare (Holdings) Limited as at January 1, 1967, and include it on the basis of an investment only.

2. ACCOUNTS RECEIVABLE: Included in accounts receivable is a net amount, arising from trade accounts and other current transactions, of $3,732,000 due from subsidiaries not consolidated.

3. INVESTMENTS: Shares in subsidiary companies not consolidated consist of shares in Loblaw Companies Limited having a quoted market value of $43,341,000 at a cost of $22,950,000 and preferred shares of subsidiaries of Loblaw Companies Limited, without a quoted market value, at a cost of $4,922,000.

   Sundry investments include shares and bonds with quoted market values of $2,460,000 at a cost of $1,797,000. Realizable value of the balance of sundry investments is estimated to be not less than cost.

4. DEFERRED REAL ESTATE INCOME: The deferred real estate income arises primarily from the proceeds of sales in prior years of certain properties now leased back. It is being transferred to income on a basis which will amortize the total over the terms of the leases which cover a period from 14 to a maximum of 50 years from dates of such sales. The transfer to earnings from operations in 1968 was $231,000 as an offset against rental expense.

5. LONG-TERM LEASES: The aggregate minimum rentals under long-term leases (extending beyond five years from the balance sheet date) in effect at December 31, 1968 are as follows for each of the periods shown:

1969-1973	$27,966,000	1984-1988	$10,523,000
1974-1978	22,148,000	1989-1993	4,597,000
1979-1983	14,556,000	After 1993	3,507,000

   Rentals paid in 1968 under long-term leases amounted to $3,867,000.

6. LONG-TERM DEBT:

	Payable within one year	Total
George Weston Limited		
Series B — 4¾% Sinking fund debentures due October 15, 1971	$ 350,000	$ 5,800,000
Series C — 5¼% Sinking fund debentures due May 15, 1982	525,000	11,850,000
Series D — 5½% Sinking fund debentures due May 15, 1983	525,000	12,375,000
Series E — 6¾% Sinking fund debentures due July 15, 1986	350,000	9,300,000
Series F — 6¾% Sinking fund debentures due June 1, 1987	—	25,000,000
	1,750,000	64,325,000

	Payable within one year	Total
Eddy Paper Company Limited		
First Mortgage Bonds		
1954 Series — 4% Sinking fund bonds due October 1, 1974	$ 300,000	$ 6,300,000
1955 Series — 4% Sinking fund bonds due June 1, 1975	150,000	3,300,000
	450,000	9,600,000
Somerville Industries Limited		
First Mortgage Bonds		
Series A — 5¼% Sinking fund bonds due October 15, 1973	190,000	1,058,000
Series B — 6% Sinking fund bonds due June 15, 1977	125,000	1,600,000
	315,000	2,658,000
British Columbia Packers Limited		
First Mortgage Bonds		
Series A — 6¾% Sinking fund bonds due May 1, 1971	500,000	1,500,000
Series B — 6½% Sinking fund bonds due May 1, 1983 ($4,500,000 U.S.)	—	4,843,000
Series C — 6½% Sinking fund bonds due May 1, 1983 ($1,500,000 U.S.)	—	1,612,000
Term bank loan, due January 15, 1974, bearing interest at 1% above the prime rate	—	5,000,000
	500,000	12,955,000
Kelly, Douglas & Company, Limited		
Series A — 6% Sinking fund debentures due November 1, 1977	39,000	1,839,000
Note payable — 7¼%, due March 30, 1970	—	3,000,000
	39,000	4,839,000
Notes, mortgages and other long-term debt	645,000	2,650,000
	$3,699,000	97,027,000
Less: Payable within one year		3,699,000
Long-Term Debt		$93,328,000

Instalments of long-term debt payable each year for the next five years are:

1969	$3,699,000	1972	$5,335,000
1970	7,574,000	1973	5,529,000
1971	9,163,000		

7. CAPITAL STOCK: The Preferred Cumulative Redeemable Shares First Series and Second Series are redeemable at $104 and $105 respectively. During the year, the Company purchased for cancellation 3,232 Preferred Shares 4½% First Series, and 491 Preferred Shares 6% Second Series.

   On June 14, 1968, Supplementary Letters Patent were issued reducing the capital of the Company by the cancellation of 10,707 Preferred Shares 4½% First Series and 311 Preferred Shares 6% Second Series, which had previously been purchased for cancellation. These Supplementary Letters Patent also reclassified the Class A Shares and Class B Shares, both issued and unissued, into common shares, on a share for share basis.

   The trust indentures, under which long-term debt is outstanding, contain certain restrictions relating to the payment of dividends.

8. RETAINED EARNINGS: During the year a subsidiary company changed the valuation of certain inventories which, together with related deferred income tax adjustments in that and other subsidiary companies, resulted in an increase in retained earnings as at January 1, 1967 of $905,000. These had virtually no effect on the 1967 or 1968 income of George Weston Limited or its subsidiaries. The change in inventories had the effect of increasing working capital by $858,000 and $1,058,000 at January 1, 1967 and January 1, 1968 respectively, which amounts are considered not material in the consolidated statements of George Weston Limited.

   Retained earnings include an amount of $273,000 set aside as capital surplus in connection with the redemption of preferred shares as required by Section 61 of the Canada Corporations Act, and an amount of $500,000 set aside for preferred share sinking fund reserve.

9. PROFIT ON SALE OF INVESTMENTS AND FIXED ASSETS: Profit on sale of investments and fixed assets includes $9,408,000 profit on the sale of the remaining 20% interest in Fine Fare (Holdings) Limited.

10. CONTINGENT LIABILITIES AND GUARANTEES: Contingent liabilities, relating mainly to third party guarantees, amount to approximately $7,789,000.

11. NON-CONSOLIDATED SUBSIDIARIES: The Company's proportion of the undistributed profits of Loblaw Companies Limited and Loblaw Groceterias Co., Limited earned since the dates of acquisition of the shares of these companies is $32,936,000. In 1968 these companies reflected deferred income taxes in the financial statements rather than by way of footnote, which resulted in a proportionate decrease in the Company's equity.

For the 43 weeks ended March 30, 1968, the Company's proportion of the profit of Loblaw Companies Limited and subsidiary companies was $3,809,000 of which $2,311,000 was received as dividends, leaving a remaining equity in the profits of $1,498,000.

At December 31, 1968, non-consolidated subsidiaries held 144,885 common shares of George Weston Limited.

12. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS: The aggregate direct remuneration paid to directors and senior officers of the Company by George Weston Limited and its consolidated subsidiaries was $513,000. Remuneration to directors of George Weston Limited from subsidiaries whose financial statements are not consolidated herein was $63,000.

13. SUBSEQUENT EVENTS: The Company has reached tentative agreement to acquire all the outstanding shares of Brown Forest Industries Limited in consideration of the assumption of certain long-term obligations totalling approximately $30,000,000.

Thorne,
Gunn,
Helliwell
& Christenson

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of
George Weston Limited

We have examined the consolidated balance sheet of George Weston Limited and consolidated subsidiary companies as at December 31, 1968 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 17, 1969

Thorne, Gunn, Helliwell & Christenson
Chartered Accountants

GEORGE WESTON LIMITED

FIVE YEAR REVIEW
(in thousands)

	1968	1967	1966	1965	1964
SALES AND INCOME					
Sales	$729,889	$622,435	$579,771	$485,919	$462,648
Depreciation	12,581	10,962	9,373	8,224	7,155
Interest	8,464	7,586	6,116	4,669	4,753
Taxes on Income	11,504	8,436	11,572	11,027	10,169
Income from Operations of Continuing Businesses	13,624	10,740	12,077	12,558	11,281
—per common share	1.16	.90	1.02	1.12	1.00
Equity in Income of Fine Fare (Holdings) Limited	—	2,243	2,177	—	—
Income from Operations	13,624	12,983	14,254	12,558	11,281
—per common share	1.16	1.10	1.22	1.12	1.00
Profit on Sale of Capital Assets	9,537	6,789	1,022	1,036	1,093
Net Income	23,161	19,772	15,276	13,594	12,374
—per common share	2.04	1.72	1.31	1.21	1.09
Dividends					
—common shares	8,182	8,182	7,406	5,433	4,513
—preferred shares	950	961	974	982	984
FINANCIAL POSITION					
Current Assets	200,318	162,982	140,310	119,194	114,329
Current Liabilities	102,146	86,307	90,405	60,971	52,392
Working Capital	98,172	76,675	49,905	58,223	61,937
Fixed Assets—Net	158,427	136,649	120,043	107,751	93,933
Long-Term Debt	93,328	86,468	67,204	51,918	53,334
Shareholders' Equity	150,295	135,663	126,572	115,693	110,198
Total Assets	$396,954	$349,399	$321,663	$259,161	$244,022

The above figures have been restated to reflect the change to a Deferred Income Tax basis in 1967, and to reflect the changes referred to in notes 1 (d) and 8 of the 1968 financial statements.

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GEORGE WES

DIVISIONS	PRINCIPAL SUBSIDIARIES
BAKERY & CONFECTIONERY	Weston Bakeries ~~Limited~~ LTD McCormick's ~~Limited~~ LTD Paulin Chambers Co. Ltd. Marven's ~~Limited~~ LTD George Weston Inc. (U.S.) Weston Biscuit ~~Company~~ Inc. Southern Biscuit ~~Company~~ American Biscuit ~~Company~~
CHOCOLATE & DAIRY	William Neilson ~~Limited~~ LTD. Eplett Ice Cream ~~Limited~~ LTD Willards Chocolates ~~Limited~~ LTD. Devon Ice Cream ~~Limited~~ LTD.
FISHERIES	British Columbia Packers ~~Limited~~ LTD. Nelson Bros. Fisheries ~~Limited~~ LTD. Rupert Fish ~~Company~~, Inc. Connors Bros., ~~Limited~~ LTD H. W. Welch Limited LTD Lewis Connors & Sons Ltd.
FOREST PRODUCTS	Eddy Paper ~~Company Limited~~ Co. LTD. The E. B. Eddy ~~Company~~ J. E. Boyle ~~Limited~~ LTD.
PACKAGING	Somerville Industries ~~Limited~~ LTD Somerville Automotive Trim ~~Limited~~ LTD Canadian Folding Cartons ~~Limited~~ LTD.
WHOLESALE & RETAIL	Westfair Foods Ltd. LTD. Western Grocers ~~Limited~~ LTD. Dominion Fruit ~~Limited~~ W. H. Malkin Ltd. Kelly, Douglas & ~~Company, Limited~~ Co. LTD. Nabob Foods ~~Limited~~ LTD Super-Valu Stores (B.C.) Ltd. Cal-Van Caterers Ltd.
LOBLAW (Not consolidated)	Loblaw ~~Companies Limited~~ COS. LTD. Loblaw Groceterias Co., ~~Limited~~ LTD.

20

~~LIMITED~~ LTD.

PLANTS

7 COLS WESTON CHART

~~FACILITIES~~	PRODUCTS — SERVICES
Twenty plants and bakeries in Canada. Sales Branches (Weston's, McCormick's) across Canada; Paulin Chambers, Western Canada; Marven's, Maritimes and Quebec. Biscuit plants in Passaic, ~~New Jersey;~~ N.J., Battle Creek, ~~Michigan;~~ MICH. Richmond, ~~Virginia;~~ VA. and Tacoma, ~~Washington.~~ WASH.	Sweet and soda biscuits; confectionery products; bread, rolls, cakes, pies; breakfast cereals, cake mixes; ice cream cones and sipping straws. Biscuits for national distribution under the Weston's, A.B.C., F.F.V. (Famous Foods of Virginia) and special brand labels.
Chocolate factories in Toronto; ice cream plants in Toronto and New Liskeard; dairies in Beachville, Cochrane and Timmins, ~~Ontario.~~	Chocolate, chocolate coatings and cocoa; chocolate bars and packaged chocolates; bulk and packaged ice cream; processed milk and other dairy products.
~~Extensive facilities including~~ processing, canning and freezing plants in British Columbia, Alaska, California and on Canada's Atlantic coast. Fully integrated Bay of Fundy fisheries operation comprising boats, processing plants, canneries and other ~~facilities.~~ PLANTS.	Major packers of Pacific coast salmon and a wide variety of fresh, frozen, canned and prepared fish. Also processors of fish oil and meal. Canada's leading canners of sardines. Also processors of many kinds of Atlantic Ocean seafoods and fish products.
Timber limits and integrated wood-harvesting, processing and papermaking ~~facilities.~~ Plants in Ottawa-Hull area and Davidson, P.Q.	Fine papers, newsprint, paperboard, converting papers, a wide range of paper products — towels, serviettes, tissues, grocery bags, ~~etc.~~ for industrial, commercial and consumer use.
Plants in London, Windsor, Toronto, Scarborough, Don Mills, Bramalea and Strathroy, ~~Ontario;~~ Montreal, Quebec; and Winnipeg, ~~Manitoba.~~	Lithographed and printed folding cartons, containers and packaging materials. Automotive trim, plastic components and consumer products. Displays, games, ~~etc.~~
Wholesale food warehouses, retail food markets, "Mini-Mart" convenience stores, "Econo-Mart" discount food outlets — in Western Canada. Wholesale food warehouses; retail food markets, and a large food products manufacturing plant — in British Columbia. Also a plant in Ajax, ~~Ontario.~~	Wholesalers of food and other products serving the retail trade in Western Canada. Operators of convenience stores, discount ~~type~~ retail outlets and food markets. British Columbia food wholesaler, industrial caterer, and major manufacturer of nationally distributed food products including tea, coffee, spices, jams, ~~etc.~~

National Tea Co. (U.S.)
Loblaw Inc. (U.S.)
G. Tamblyn ~~Limited~~ LTD.

National Grocers ~~Company Limited~~ CO. LTD.
Atlantic Wholesalers, ~~Limited~~ LTD.
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